

## FISCAL NOTE

### HB 983 - SB 1349

March 22, 2005

**SUMMARY OF BILL:** Revises the notification requirements for the sale of certain types of bonds. Extends, from three to four years, the authorized life span of general capital outlay notes issued at negotiated sale. Extends, from 12 to 13 years, the authorized life span for general improvement capital outlay notes issued at competitive sale or by informal bid. Decreases the maximum maturity of capital outlay notes to purchase land by one year. Authorizes the negotiated sale of capital outlay notes to refinance outstanding capital outlay notes previously issued at negotiated sale with a life span not exceeding three years from the date of issuance.

### ESTIMATED FISCAL IMPACT:

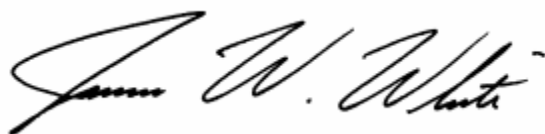
**Increase Local Govt. Expenditures – Exceeds \$100,000/Permissive**  
**Decrease Local Govt. Expenditures – Exceeds \$20,000 over the**  
**life of capital outlay**  
**notes to purchase land**

Assumptions:

- Extending the maturity of certain bonds will result in increased interest payments over the life of the bond. Such increase would result in an approximately \$22,000 increase in the cost of such debt per \$1,000,000 of debt issued. Approximately \$100,000,000 of capital outlay notes are issued by local governments on an annual basis.
- There would be a decrease in local government expenditures due to the changes in the notification requirements for certain types of debt.
- There would be a decrease in local government expenditures resulting from the reduction in the maturity period for capital outlay bonds for land purchases. The average annual amount of such bonds issued per year over the last five years is approximately \$2,500,000. There would be a savings of approximately \$22,000 per \$1,000,000 of debt issued over the life of such notes if issued for their maximum maturity.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director